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CANADA

CLARK SAYS ENERGY PROBLEM TO BE MAJOR TOPIC AT TOKYO SUMMIT

OW230102 Tokyo KYODO in English 0025 GMT 23 Jun 79 OW

[Text] Ottawa, June 22 KYODO--Prime Minister Joe Clark of Canada believes the energy problem will be the most important issue to be taken up at the June 28-29 economic summit in Tokyo but does not believe agreement on the matter will be reached in terms of concrete figures as at the time of the last summit in Bonn.

Clark, 40, leader of the Progressive Conservatives who succeeded Pierre Trudeau as prime minister early this month, told KYODO in an interview Friday, however, that some sort of agreement may be reached among the leaders of the seven nations taking part in the Tokyo summit on the energy issue.

He further said the Canadian Government does not intend to present its own proposal to the meeting and intimated that he, himself, is not planning to take a "dramatic initiative" at the summit.

Referring to his scheduled meeting with Prime Minister Masayoshi Ohira Wednesday, Clark said he planned to urge Ohira to study a plan to import Canada's heavy water reactor Candu. Clark also showed his readiness to take up for discussion with Ohira various projects for development of Canada's energy resources, including Tar Sand in Alberta Province, on which Japan has been showing strong interest.

As to diplomatic problems, Clark said that he was in favor of closer cooperation with the U.S. as he believes it a natural development for his country. Clark also showed interest in maintaining closer relations with Japan and other Asian and Pacific nations.

He expressed his hope to discuss with Ohira about Ohira's pan-Pacific concept for establishing a common market of nations rimmed by the Pacific Ocean.

Clark also stressed that his government would not change its basic policy toward planned removal of its diplomatic mission to Jerusalem. Leading Arabian nations were persuading the Canadian Government to give up the plan because it would imply Canadian recognition of Israeli sovereignty in the divided city in the Middle East.

The new Canadian prime minister is to leave here for Tokyo Sunday and will arrive at Haneda Airport on Monday.

DOMESTIC OIL PRICE TO INCREASE 1 JUL

LD202048 Montreal International Service in English 2000 OMT 20 Jun 79 LD

[Excerpt] Canada's energy minister, Ray Knatyshyn, says the federal government will go ahead with the \$1-a-barrel increase in the price of domestic oil effective 1 July. He says that between now and 1 January he will review plans for an additional \$1 increase with representatives of the provinces. Mr Knatyshyn made the announcement after meeting in Ottawa with Merv Leitch, energy minister of Alberta, which has large oil reserves.

SCHMIDT, MINISTERS LEAVE FOR MCSCOW, TOKYO SUMMIT

LD251246 Hamburg DPA in German 1155 GMT 25 Jun 79 LD

[Excerpt] Hamburg--Chancellor Helmut Schmidt, with Finance Minister Hans Matthoefer and Research Minister Volker Hauff, left Hamburg for Moscow by air today. After a meeting with Aleksey Kosygin, chairman of the Soviet Council of Ministers, and Foreign Minister Andrey Gromyko, Schmidt tonight will fly on to the world economic summit in Tokyo.

Reportage on Schmidt Moscow Talk

LD252135 Hamburg DPA in German 2037 GMT 25 Jun 79 LD

[Text] Moscow--Federal Chancellor Helmut Schmidt conferred for over 3 hours in Moscow today with Soviet Premier Aleksey Kosygin and Foreign Minister Andrey Gromyko "on the whole range of world affairs" and the development of economic relations. The meeting took place at Vnukovo Airport during a stopover of the chancellor's flight to the world economic summit meeting in Tokyo.

Schmidt said that he considered the meeting to be an auspicious sign. The talk had been suggested by the Soviet side. It was noticed that Kosygin took time out for this meeting, although he was heavily engaged in preparations for the meeting of the Council of Mutual Economic Aid due to start tomorrow. According to the Federal chancellor, the exchanges covered world affairs. The topics discussed included the SALT II agreement to limit strategic armaments, the proposed SALT III agreement, the review conference of the Conference on Security and Cooperation in Europe to be held in Madrid and the Vienna talks on the reduction of the levels of forces.

The Soviet leadership wanted to give its assessment of the meeting between President Jimmy Carter and Soviet State and Party Chief Leonid Brezhnev, which was of global importance. Asked about prospects for a SALT III agreement and the Vienna talks on the reduction of the levels of forces, the chancellor said: "Neither of us is at all pessimistic." At the Vienna conference it appeared desirable, after some approximation had already been achieved, to define the "criteria for figures." It is a matter of agreeing "who is a soldier to be counted." At the Vienna conference views diverged over the numerical strength of forces in East and West, divergence which Foreign Minister Gromyko referred to at a Moscow press conference this morning.

Schmidt claims to have detected a "clear interest" of the Soviet Union in the Tokyo summit meeting on economic affairs of the heads of state and government of Western industrial nations. Although the Soviet Union is much less integrated into the overall fabric of the world economy than the Federal Republic, it is closely watching world events.

PRESS COMMENTS ON MOSCOW STOPOVER, OIL DIPLOMACY

DW250932 Cologne Deutschlandfunk Network in German to East and West Germany 0605 GNT 25 Jun 79 DW

[From the press review]

[Text] Let us now turn to the brief talks which Chancellor Schmidt will be conducting in the Soviet capital today en route to the Tokyo world economic summit. WIESEADENER KURIER writes: This might be considered an internationally customary gesture of politeness, but this would not be in keeping with the present state of relations between the Federal Republic and the Soviet Union.

FEDERAL REPUBLIC OF GERMANY

Quite obviously the Soviet Union regards the Federal Republic as the most important negotiating partner in the Western world, and second only to the United States. Earlier than other states the Soviet Union conceded the Federal Republic a corresponding political weight, albeit reluctantly. And since disarmament has been shifting into the center of international politics Moscow seems to believe that the key to this problem, as far as Europe is concerned, lies in Bonn.

Bonn's GENERAL-ANZEIGER stresses: Moscow sees the key to European disarmament in Bonn. Even if the people in Moscow are aware that the Federal Republic is neither able nor willing to take any long action in disarmament, they nevertheless know Bonn's influence on disarmament measures. And this is where the Soviet Union wants to apply influence. Obviously the Kremlin is interested in mitigating the distrust prevalent in the Federal Republic toward Soviet policy. For this reason, the improvised meeting at the Moscow airport is more valuable as a trust-creating measure than the minimal amount of substance which will be discussed there.

The Oldenburg NORDWEST-ZEITUNG editorializes: What will urgently matter in the talks in Moscow today is the strengthening of German-Soviet cooperation. The economic contacts have been strengthened particularly in the past few weeks. The Soviet side takes it for granted that in view of the limits of raw-material reserves joint ventures for the opening of the resources in Siberia will materialze. It is also conceivable, considering the threatening energy-supply gap in the Western world, model-type German-Soviet projects will be revitalized.

NEUE WESTFAELISCHE of Bielefeld deals with another important mission of foreign and economic policy, namely, the talks of Ministers Genscher and Lambsdorff in Saudi Arabia: We may suppose of Saudi Arabia that it is not malevolent toward the Federal Republic, at least. But if the government in Riyadh urgently suggests to the two German emissaries to exercise more austerity with the raw crude oil, which has been made so precious, this may well be valued as a sign of alarm. It may also be, however, that Lambsdorff with his quick tongue has made redundant remarks at the wrong time in the public energy discussion. Sounding off about price-hikes of 20 percent just prior to the summer conference of the OPEC states which will open tomorrow, naturally means encouraging the oil-extracting countries to give such a massive impulse to inflation.

NEUE OSNABRUECKER ZEITUNG discusses the same topic and writes: Bonn's travelers in matters of oil have scored another partial success in Riyadh. Granted, the Saudi interlocuters made it clear to Genscher that the great oil producers of the world demand tangible energy savings of the industrial states, yet at the same time they promised the Federal foreign minister and his companion, Economics Minister Lambsdorff, that they will exert a moderating influence on the rest of the OPEC states so as to prevent a collapse in both quantity and price. As meager as this intermediate results may seem, it is nevertheless encouraging in the tension are between the summit meetings of Strasbourg and Tokyo. It is with a bit more confidence that Genscher and Lambsdorff can now proceed to Japan where it is planned to demand concrete actions in the energy sector of the seven leading industrial nations of the Western and Far East worlds.

SCHWAEBISCHE ZEITUNG of Leutkirch in its commentary also deals with the forthcoming world economic conference: The participants of the Tokyo summit conference will come to the negotiation table loaded with good intentions and plans. The aims of the Buropean Community, of the Japanese, and the Americans are the same, but the means to this end do not always run parallel.

If you take a close look at the strategy the Europeans worked out in Strasbourg and the plans developed in Washington, you will discover over and over again hidden indications that the other party's determination to save is a prerequisite of success. The countries participating in the world aconomic conference must demonstrate that they are able to face the challenge, and that they are capable of developing and implementing a policy that will help Western economies to get through meager times.

SUEDKURIER of Constance demands: It is important now that the industrial states agree on a fair and liberal concept with regard to their reaction to the oil shortage. This is the only way to help the liberal Western economy avoid severe damage. No fight for oil among economically progressive states must take place. That must be the result of the Tokyo conference.

AUGSBURGER ALLGEMEINE writes: The Tokyo meeting ought to result in marrowing the gap between international words and national action. It must be hoped that Federal Chancellor Schmidt will prevail with his market economy ideas.

In connection with developments on international crude oil markets, FRANKFURTER RUNDSCHAU deals with recent American plans to set up an efficient reserve unit for action in critical foreign political situations. The paper goes on to say in detail: Planning of such a world police has reached concrete forms, even if the last word has not yet been spoken by the White House or by Congress. Parallel to ideas of a "new Iran" in the Mideast area, the ghost of a "new Cuba" is appearing in U.S. foreign policy with a view to developments in Nicaragua. This development probably reflects America's fear regarding the securing of its energy supply and not so much preparedness to accept military and political risks again in the world-despite the Vietnam experience.

SCHWARZWARLDER BOTE writes about the same issue: The ideas and sandbox games of responsible officials in Washington indicate something else as well: They are signs of helplessness regarding further developments the world power United States is facing vis-a-vis the entire Islamic world and particularly the oil countries of the gulf area. Security cannot be achieved even by a fire brigade of the United States. Government considerations in Washington, therefore, ought to remain what one hopes they are: sandbox games.

CHANCELLOR SCHMIDT OPTIMISTIC ABOUT ENERGY PROBLEMS

LD252046 Hamburg DPA in German 1941 GMT 25 Jun 79 LD

[Text] Offenburg -- In the opinion of Federal Chancellor Helmut Schmidt, the citizens of the Federal Republic need not prepare to tighten their belts in view of the worldwide shortage of energy and raw materials. In an interview with BUNTE magazine, he said that the consumption of gasoline and heating oil woold be curtailed, but for the time being he saw no reason to think of the 80's as a decade of declining profits, lower living standards or less employment.

He does not believe that today's Germans are more industrious than the Turks or Italians, nor does he think that German entrepreneurs are more efficient than those in other Western industrialized states; it is the Federal Republic's industrial climate that is more favorable on the whole.

SCHMIDT: ENERGY CRISIS AFFECTS USSR AS WELL

DW260733 Hamburg AFD Television Network in German 1900 GMT 25 Jun 79 DW

[Klaus Bednarz interview with Chancellor Helmut Schmidt -- apparently recorded in Moscow]

[Text] [Question] In the energy field the Soviet Union still is nearly autarkic. Have you found that the Soviet Union is more receptive than before to a participation in the international securing of energy?

[Answer] There is not the least doubt in my mind that the communist states are suffering from the present world energy crisis, that all of them are making plans for the future on how to cope with the difficulties in their supplies. In principle the problem the Soviet Union is facing is similar to ours: Coal is extremely important, yet there is no way around nuclear power.

U.S. MIDEAST TASK FORCE ASSUMED TO BE MERELY THEORETICAL

DW250840 Bonn DIE WELT in German 23 Jun 79 p 6 DW

[Commentary signed KIE.]

[Text] They have been haunting the columns of the international press for quite some time, these 100,000 men whom the United States proposes to put into action in the event the oil supply from the Middle East seriously stagnates. In rough outlines the idea of a military intervention had cropped up as early as 1973, as a child born of need, at the time of the temporary oil embargo against the United States. At the time Secretary of State Kissinger murmured for all the world to hear that the United States must be prepared to safeguard the oil source in the future with the force of arms, if necessary.

They still could just about afford such wanly language in 1973. After all, they still had a regional guardian of order on their side, the shah. After the latter's demise the unthinkable is being pondered again, only a bit more discretely this time, as a Pentagon theory and not as a diplomatic threat.

But where should the men come from -- from the 6th Fleet in the Mediterranean, the 7th Fleet in the Pacific, the 7th Army in Europe, or from the reserve at home? It is a fact that the United States since the abolition of conscription (1973) has had a hard time living up to its troop commitments and insuring the flanks. Besides, Washington's allies speak preferably of political rather than military solutions; indeed, Saudi Arabia nearly feels offended by the mere idea of a U.S. task force. Hence it probably will remain a theoretical proposition for a long time, yet it stands for a serious, a just, concern of the West.

SCHMIDT PROMISES CONTINUED SUPPORT FOR AS-SADAT

LD231814 Hamburg DPA in German 1649 GMT 23 Jun 79 LD

[Excerpt] Cairo--Federal Chancellor Schmidt has promised in a personal message to President Anwar as-Sadat the further support of the Federal Republic for the peace efforts of the Egyptian leader. The letter was delivered on Saturday in Cairo by the German ambassador during a meeting with Dr Butrus Ghali, Egyptian minister of state for foreign affairs.

GROMYKO DENIES SOVIET CONNECTIONS WITH SPANTSH TERRORISTS

LD251322 Madrid Domestic Service in Spanish 1200 GMT 25 Jun 79 LD

[Report from Moscow]

[Text] The Soviet foreign minister, Andrey Gromyko, answered two questions of particular interest to Spain at one of his very rare press conferences--the last one was more than 2 years ago--held today on the Vienna summit and the SALT II treaty. At the suggestion that some of the Spanish media are linking the USSR with terrorism in Spain, specifically with ETA, the Soviet foreign minister said that those politicians in Spain who try to link the Soviet Union with acts of terrorism are wide off the mark. He said that the USSR has no connections at all with terrorism.

Answering a question on when he would come to Spain, in response to the invitation made to him by Minister Oreja last January, he said that no date has yet been set but the matter is being looked into positively. He added that the USSR wants to maintain good relations with Spain.

FISHERMEN ASK SPANISH EMBASSY TO ISSUE PROTEST NOTE TO U.S.

LD232156 Madrid Domestic Service in Spanish 1800 GMT 23 Jun 79 LD

[Text] Here is a dispatch from La Coruna:

The Spanish fishing fleet in U.S. waters, which consists of some 50 refrigerated ships specializing in cephalopods, squids and [word indistinct] have informed the National Association of Owners of Refrigerated Ships in Assorted Fisheries, ANAMAR, that as a result of the proliferation of fixed fish traps laid down by American fisherman in the [word indistinct] two, the only zone allowed for foreign boats fishing in these fishing grounds, they have been forced to leave these grounds and return to port, since the area in the authorized zone free to them does not extend 3 miles. ANAMAR has sent a telegram to the director general of maritime fishing asking him to inform the Spanish Embassy in Washington of this so that a protest note can be handed to the U.S. Departments of State and Commerce and a rapid solution be found for the removal of the fish traps or the opening up of some other area for fishing.

DIPLOMATIC RELATIONS ESTABLISHED WITH DJIBOUTI

LD251325 Madrid Domestic Service in Spanish 1200 GMT 25 Jun 79 LD

[Summary] The Spanish ambassador in Paris and the ambassador of the Republic of Djibouti in Paris have exchanged notes by which Spain and the Republic of Djibouti establish diplomatic relations at the level of ambassadors from today.

EXPLOSION REPORTED IN NUCLEAR POWER STATION

LD131524 Madrid Domestic Service in Spanish 1400 GMT 13 Jun 79 LD

[Summary] One worker died and several others were injured in the attack which took place at 1430 at the nuclear power station which Iberduero is building in Lemoniz, EFE reports. The explosion occurred near a tank containing 5,000 liters of oil which was set on fire.

The alarm was given between 1400 and 1415 this afternoon, at a change of shift. The Iberduero office in Lemoniz received a phone call warning that a device was to explode soon. As the installations were being cleared following an alarm, the device exploded near one of the turbines.

DENMARK

SAUDIS ACKNOWLEDGE GOVERNMENT'S OIL CONSERVATION MEASURES

LD251121 Copenhagen BERLINGSKE TIDENDE in Danish 21 Jun 79 p 16 LD

[Erik Bendt Rasmussen report: "Oil Shaykh Praises Denmark for Its Energy Policy"]

[Text] Shaykh Yamani, the influential oil minister of Saudi Arabia, met yesterday with Prime Minister Anker Jorgensen and Foreign Minister Henning Christophersen, who were given the following message by Shaykh Yamani: "The energy policy now being pursued by Denmark is correct, in that oil is being conserved by various methods."

Shaykh Yamani welcomed the government's information that Danish electricity generation is now mostly coal-based. The Saudi oil minister told the prime minister and foreign minister that if the industrialized countries did not conserve oil, the price would go up. He stressed that the situation is precarious because it is always uncertain whether oil production sources can keep pace with demand. If demand increases oil extraction will be intensified and this entails large costs.

Shaykh Yamani also noted that the interests of the Middle East oil-exporting countries did not always coincide with the interests of the industrial countries. He justified this by saying that model East oil is converted into goods, which are probably not regarded as strictly essential in the oil-exporting countries although Shaykh Yamani did not elaborate this viewpoint. But he was probably referring to the (oil-derived) plastics industry and the squandering of energy. Yamani stressed that the Middle East was not interested in increasing oil production if the increased production was not channeled toward an essential goal.

Shaykh Yamani said that he personally understood Denmark's difficult situation in being dependent on oil and he recognized that Denmark was trying to conserve energy in several areas...through taxation, insulation, careful expenditure of heating oil, speed limits, etc.

FINLAND

SAUDI OIL MINISTER YAMANI ARRIVES IN HELSINKI

LD221718 Helsinki Domestic Service in Finnish 1530 GMT 22 Jun 79 LD

[From "Radio Magazine" program]

[Text] Saudi Oil Minister Shaykh Ahmad Zaki Yamani today arrived on a private visit to Finland. Minister Yamani recommended in an airport interview that the Western industrial countries economize in oil consumption. According to Yamani, consumption should be reduced from the present level by 5-10 percent a year so that oil prices can be stabilized. Minister Yamani did not answer the question whether Saudi Arabia was willing to increase oil exports to Finland. Ossi Kervinen reports from Helsinki-Vantaa Airport:

[Begin recording] OPEC representatives have said several times that the oil-exporting countries are not responsible for the increased prices of crude oil. According to OPEC, the price rises are primarily due to the policies pursued by the major Western industrial countries. Saudi Oil Minister Shaykh Ahmad Zaki Yamani, who today arrived on a private visit to Finland, also referred to matters of this kind.

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He said that Saudi Arabia will follow a moderate line in the forthcoming OPEC ministerial meeting. Yamani said that a \$20-barrel price is too high and thus not acceptable. Saudi Arabia's aim is to stick to moderate prices. Yamani said that the Western industrial countries should reduce their consumption by 5-10 percent so that oil prices can be stabilized.

The Saudi oil minister came to Finland on a private visit. Before his arrival Minister of Trade and Industry Ulf Sundqvist said that Finland would be ready to buy more oil from Saudi Arabia than at present. At the moment Finland imports about 10 percent of its oil from Saudi Arabia, and this is primarily purchased through middlemen. When Yamani was asked whether Saudi Arabia could sell Finland more oil, he said that Finland is a friendly country and that he was ready to listen to all suggestions made by Finnish authorities. The Saudi oil minister left Helsinki with his hosts for the Neste factories in Porvoo, and from there he is to continue tonight to Rovaniemi to see the midnight sun. Tomorrow Yamani is to meet President Kekkonen at Kultaranta. His visit is to end on Sunday. This is Ossi Kervinen at Helsinki-Vantaa Airport. [end recording]

Conclusion of Visit

ID242312 Helsinki Domestic Service in Pinnish 1530 GMT 24 Jun 79 ID

[Excerpt] Ahmad Zaki Yamani, petroleum minister of Saudi Arabia, has concluded his 2-day visit to Finland. The plane carrying Yamani took off from Turku Airport for Geneva around noon.

BUDGET INCLUDES SOVIET MISSILE, FIGHTER FURCHASES

LD210850 Helsinki Domestic Service in Finnish 1800 GMT 20 Jun 79 LD

[Summary] The second supplementary budget this year exceeding 1 million markkaa was ratified today.

"The second supplementary budget grants somewhat over 120 million markkas for missile purchases from the Soviet Union. In addition MIG-21 fighters will be purchased from the USSR. Funds are also allocated for Hawk training planes and for security checks on Draken planes." With the first and second supplementary budgets, 45 billion markkas of state expenditure have been budgeted this year.

HELPINKI NOTES NORWEGIAN HALT OF AID TO VIETNAM

LD231932 Helsinki Domestic Service in Pinnich 1530 GMT 23 Jun 79 LD

[Text] The Norwegian Government has halted development aid of nearly 60 million Pinnish markkaa to Vietnam. Foreign Minister Knuc Prydenlund today explained the reasons for Norway's decision by referring to Vietnam's attitude toward its refugees. At the same time the Norwegian Government announced that it would grant about 7.5 million Pinnish markkaa in aid to the so-called boat people of Indochina. Norwegian vessels in Southeast Asia waters are allowed to rescue these refugees in order to settle them in Norway.

SWEDEN

OIL SUPPLIES, OTHER ISSUES DISCUSSED WITH MEXICANS

LD251335 Stockholm DAGENS NYHETER in Svedish 21 Jun 79 p 24 LD

[Unattributed report: "New Discussions on Mexican 011"]

[Text] Mexican Foreign Minister Jorge Castaneda confirmed on Wednesday the intention to supply up to 3.5 million tons of crude oil per year to Sweden after 1981. This occured at a meeting with Foreign Minister Hans Blix and Trade Minister Hadar Cars in Stockholm.

However there is no agreement on how the supply will be arranged. It is envisaged that the three national Swedish companies--Nymas, OK and Swedish Petroleum--will import at market prices.

This 3.5 million tons means almost 10 percent of the annual Swedish import requirement. All purchases are at market prices, Forvign Minister Castaneda said but Sweden is guaranteed access to the oil provided that Mexico can increase its current production.

Last year the country discovered new oil resources which at best could turn the country into an oil producer of Smudi Arabian proportions. Mexico is not a member of the oil exporter's organization, OFEC.

"We will not sell more oil than we need to, in order to insure that our country can absord the revenue for its own development." Castaneda said.

Last winter both Foreign Hinister Blix and Trade Hinister Cars visited Mexico on separate occasions. This fall a large industrial delegation headed by Marcus Wallenberg will travel to Mexico. Swedish industry will try to selltechnology, particularly in firestry, mining, agriculture and fishing.

Foreign Minister Blix! interest in Mexico has mainly involved disarmament, on which both countries have often worked together in the United Nations. During the visit the two foreign ministers have covered a great number of questions and they have often had similar opinions for example on SALT II, Zimbabwe and Nicaragua. It should be noted that Sweden no longer has an ambassador in Nicaragua.

Swedish efforts to obtain direct agreements on oil imports with other governments continue. Next week Trade Minister Cars will travel to Nigeria to complete talks began by former Energy Minister Olof Johansson.

There are also contacts with Irag on intergovernmental cil agreements.

AIR DEFENSE MISSILES TO BE SOLD TO TUNISIA

1D221247 Stockholm DAGENS NYHETER in Swedish 20 Jun 79 p 1 LD

[Henric Borgstrom dispatch: "Robot 70 Being Sold to Tunisia"]

[Excerpt] Paris, 20 June--Bofors has obtained the Swedish authorities' permission to sell the new Robot 70 to Tunisia, DAGENS WYHETER has been informed. Together with two other export orders in the spring, Robot 70 has been sold for a couple of hundred million kronor. In addition, half a dozen countries are now contemplating offers from Bafors.

The enterprise believes that the portable air defense ...issile could be a world success comparable to the famous 40-mm cannon.

THATCHER MAKES MAJOR CONCESSION" AT EEC SUNMIT

LD221021 London THE GUARDIAN in English 22 Jun 79 pp 1,28 LD

[John Palmer report: "Thatcher in EEC Prices Gamble"]

[Text] Britain yesterday made two major concessions to other Common Market governgents in an effort to strengthen Mrs Thatcher's hand at the Strasbourg summit in seeking a reduction in the cost of Britain's membership of the EEC.

In Luxembourg, the agriculture minister, Mr Peter Walker, agroed to an all-round increase of 1-1/2 per cent in EEC farm prices, having previously demanded a price freeze. In Strasbourg, Mrs Thatcher told the EEC summit that Britain was ready to swap reserves with the new European Monetary System [EMS].

Nowever, it became clear in Strasbourg last night that Mrs Thatcher had met with only lighted success in convincing her fellow heads of government that Britain had a serious problem with the present scale of EEC budget paymonts.

The summit agreed that the Commission and the Council of Finance Hinisters be asked to discover "the facts," and make any necessary recommendations to the November meeting of the European Council in Dublin. The foreign secretary, Lord Cerrington, said last night: "What the prime minister had to say on the budget situation was listened to attentively. We have made some progress in convincing our partners of the injustice in the present situation, but we clearly have some further way to go."

An official from another delegation, however, said last night: "The general view was that Mrs Thatcher did not handle this very well, and was if anything too cutting. She has yet to convince the Council that the facts really are as the Britash Government claims."

During the discussion the president of the Commission, Mr Roy Jenkins, said that the increase in farm prices agreed to in Luxembourg by Britain and the other Common Market governments would be "disastrous for the Community Budget." He want on to say that he endorsed the declaration by the farm commissioner, Mr Finn Gundelach, "dissociating the Commission" from the prices agreement in Luxembourg.

Although some other delegations here last night said that the decision to ask the Commission and the finance ministers to examine the budget problem was "prima facie evidence" that a problem existed, others disagreed. They believe that if the finance ministers decide that, on the basis of the Commission's report nothing drastic could be done, Mrs Thatcher's position in Dublin would have been weakened.

Although the decision to transfer 20 per cent of the UK gold and currency reserves worth \$4 billions is largely technical and does not necessarily mean Britain will become a full member of the EMS, the concession on farm prices is bound to cause a political s orm in Brillin. However some diplomats believe the chances of the UK joining the EMS in September have increased.

Hrs Thatcher's gamble appears to be that, in return for such an impressive display of good will, those EEC governments which have been sceptical of Britain's protest about the scale of her EEC budget payments might think again. She will now want a firm commitment in the summit declaration, to be finalised today, that the nine heads of government instruct the Commission to find ways of reducing Britain's net budget payments which now run at more than \$1 billion a year.

Mrs Thatcher's government has now agreed to farm price changes which will make Britain's contributions worse. But, she will argue, this may be the political price for making them less onerous in the future.

The nine EEC leaders got quickly down to the two issues which loom over this European Council: the worldwide energy crisis and the danger of a new international economic recession. It was under this heading, but in the context of the still divergent economic performance of the EEC economies, that Mrs Thatcher pressed home her points on the budget.

She pointed out that the payments Britain was making to the EEC--and mainly richer EEC countries --was close to 1 per cent of national output or about 3p in the pound on income tax. This, she insisted, had to stop and a start had to be made to reduce the scale of transfer by the end of this year.

In Strasbourg it was estimated the farm prices deal would add more than \$600 millions to a budget already in excess of \$10 billions. There were even unconfirmed reports here last night that, to prevent Mr Jenkins from showing his displeasure at the farm decision, President Giscard had tried to exclude him from the final summit press conference.

After the last European Council meeting in Paris Mr Jenkins appeared to upset the French president when he criticised the surpluses created by the common agricultural policy and called for a price freeze. On that occasion President Giscard, who was giving a joint press conference with Mr Jenkins, commented: "The president of the Commission speaks only for himself and not the European Council."

It became clear later last night that in a compromise arrangement Mr Jenkins would be allowed to speak at today's press conference, but only after the French president had given his report and had left the room,

The decision to swap gold and foreign exchange for European currency units, the unit of credit and exchange used in the EMS, could help the British authorities defend the value of sterling against the other EEC currencies in future. But at present the pound is, if anything, too strong and has gained in value against all the EMS currencies.

It will take some months before it is clear what promises the other EHC governments make to redress Britain's budget problems.are worth in practice.

NEWSLETTER SAYS BRITAIN TO REDUCE OIL EXPORTS

LD251456 London PRESS ASSOCIATION in English 1142 GWT 25 Jun 79 LD

[Text] Britain is making "substantial reductions" in North Sea oil exports to the United States, according to a report today. The independent newsletter, LONDON OIL, said the decision had fallen like a bomb in international oil circles, coming just before Thursday's economic summit in Tokyo.

The paper said that American oil companies on the receiving ends of the cuts were fighting hard against them.

The article said the government has decided that Britain should keep more North Sea oil for home consumption during the period of world shortage.

America will bear the brunt of the cuts because the rest of Britain's oil exports go mainly to EEC countries and Community agreements forbid sudden changes in oil export patterns.

The rules of the International Energy Agency, to which Britain and the United States belong, also forbid such action but British officials are said to believe that these can be flouted. Most oilmen would probably agree, said the paper.

British oil makes up only a small percentage of American imports, but with the current shortages, fresh reductions are sure to be felt.

The paper said the decision would also affect the Tokyo summit, at which Canada, Japan, West Germany, France and Italy, as well as Britain and the United States, would be seeking means of co-operating to ease the shortages.

The spirit implied in the British decision suggested that any cooperation would be at best superficial, the paper added.

Britain's daily North Sea production amounts to 1.6 million 35-gallon barrels and nearly half is exported. However, the state-owned oil corporation will have about 650,000 barrels daily of oil directly under its control in the second half of this year.

Contracts on some of this oil, most of which run for a year, end on June 30 and are currently being renegotiated. Most pressure is falling on medium-size American oil companies that do not own refining facilities in Britain.

These companies are being asked to re-assign much of the oil they export to the United States to companies with refineries in Britain. The companies receiving the oil must pledge it will remain in Britain and that they will not reduce oil imports proportionately, said the paper.

The companies affected are angry because they thought their contracts, negotiated when there was a world surplus, would be reneved indefinitely.

This might have been the informal understanding with the Labour Covernment, said the paper, but the Tories were reportedly appalled to learn that so much of the British national oil corporation's oil was being exported.

THE OBSERVER: BRITAIN SHOULD GIVE SALT FULL SUPPORT

LD251239 London THE OBSERVER in English 24 Jun 79 p 10 LD

[Editorial: "We Must Back SALT"]

[Text] Now that the SALT II treaty has been signed, Britain ought to give it full support. The United States debate on ratification is going to be extremely fierce. Any sign that one of America's most important European allies is wavering will be exploited by the treaty's opponents. The division of opinion in the U.S. Senate is so fine that European support, or lack of it, will be of quite unusual importance.

Britain should give its support because the treaty is in our own interests and the interests of the West. There are three main reasons for this.

First, while SALT II is a disappointment as a measure of disarmament, because it allows the Soviet Union and the United States to build new weapons systems, it is a necessary stage towards nuclear arms reductions in the future. Presidents Brezhnev and Carter signed on Monday a statement on guidelines for future SALT talks. They envisage national arsenals that will be smaller, but also safer from surprise destruction by the other side.

Second, the signing and ratification of SALT II opens the way for Britain and its European allies to join, in some form, the discussions on limiting strategic nuclear weapons. During the SALT II negotiations, Europeans have been anxious lest America reach agreements with Moscow that hurt European interests.

The SALT III talks will not only discuss nuclear weapons, such as U.S. nuclear bombcarrying aircraft based in Europe, that were excluded from SALT II, they will take place at a time when it will be impossible to deal with the U.S. Soviet nuclear balance as though it had no bearing on the balance of forces in Europe.

The talks in Vienna on reducing the forces of NATO and the Warsaw Pact may make more progress now that SALT II has been signed. NATO must make up its mind how to respond to the Soviet deployment in Europe of the mobile and highly accurate SS -20 missile--the Carter administration has proposed for the job a new longdistance Pershing 2 missile that can hit the Soviet Union. It is vital that these matters be co-ordinated with U.S. Soviet discussions about strategic weapons. Europe must be given no reason to feel that SALT diminishes its security. A safe balance must be the rule for Europe just as it is meant to be in SALT.

The final reason why Britain should give the treaty its support is that it is the only major agreement that the Americans and Russians are likely to be able to reach for the time being. Apart from its importance as a stage in a unique experiment in arms control, SALT II is a symbol of East-West willingness to talk rather than fight. The agreement made it possible for the two presidents to decide that there should be U.S.-Soviet summit meetings "on a regular basis" in the future.

The division in America over SALT II is a division over America's place in the world vis-a-wis the Soviet Union. SALT is disagreeable to many Americans because it declares that the strategic forces of the two super-powers are now roughly equal. The Carter administration's argument (it was also Nixon and Kissinger's) that neither side can pull ahead again is not entirely believed.

The unease of doubting Americans is increased by apprehension that Moscow is out to diminish American influence in the world and win an empire of its own. The arguments of men like Secretary of State Vance that the days have passed when either side can have an empire are also far from universally accepted.

The American debate is sharpened by the Soviet Union's propaganda and its actions in the Third World. The Soviet Union remains officially committed to the fantastic belief that communism, more or less of the Soviet style, must spread through the world. This is by no means the same thing (though it sometimes looks that way) as the Soviet Union's belief that, as a super-power, its voice should carry equal weight in the world with America's.

In practice, however, Soviet diplomacy shows itself to be far less ideological and a great deal more practical. SALT II is a sign that the practical men on both sides can win out against the tub-thumpers. This is the only sensible way for the world to go and it is the chief reason why Britain must support the agreement.

GREEK SIDE REPORTEDLY SUBMITS DOCUMENT ON VAROSHA

NC240732 Nicosia HALKIN SESI in Turkish 24 Jun 79 P 1 NC

[Text] Lefkosa [Nicosia]--The Greek Cypriot administration has requested the immediate return of Maras [Varosha] to Greek Cypriot control and the prompt settlement of civilians in this town. A document to this effect was brought to the negotiating table at Ledra Palace on Friday by the Greek Cypriot negotiator, Yeoryios Ioannidhis.

According to an ANATOLIA report attributed to sources close to the UN, Turkish Cypriot negotiator Umit Suleyman Onan refused to accept the document. During the four meetings that were held last week under the auspices of UN under secretary for special political affairs, Perez de Cuellar, Ioannidhis repeatedly raised the Maras issue.

The 1-page document brought to the negotiating table by the Greek Cyprict administration-which has circumvented both the Denktas-Makarios guidelines agreement and the Denktas--Kiprianou agreement--demands the immediate return of Maras to Greek Cyprict control without discussions about the status of the town. The document--which the Greek Cyprict administration attempted to give to Gnan but which remained on the negotiating table-also demands the withdrawal of Turkish peace forces and UN troops from Maras. Sources close to the UN stated that when Gnan refused the document Perez de Cuellar placed the document in his briefcase to take it to New York.

The Greek Cypriot administration has refused to discuss the basic concepts of a bizonal, bicommunal, independent and nonalined federal solution formula in accordance with the second clause of the Denktas-Kiprianou agreement. Instead, the Greek Cypriot administration has insisted on discussing Maras, which is mentioned in the fifth clause of the agreement. This hardline posture of the Greek Cypriot administration deadlocked the intercommunal talks on Friday evening.

ATALAY SAYS GREEKS ONLY WANT TO DISCUSS VAROSHA

TA260606 (Clandestine) Bayrak Radio in Turkish to Cyprus 0415 GMT 26 Jun 79 TA

[Excerpt] The Turkish Cypriot representative in New York, Nail Atalay, has said that no progress was made in the intercommunal talks in Cyprus since the Greek Cypriot side was interested only in solving the Maras [Varosha] issue rather than in the establishment of a bizonal federal republic. In a statement to a REUTER correspondent in New York, Atalay said that the four guidelines agreed upon by President Denktas and Archbishop Makarios in 1977 envisaged a bizonal Cypriot republic. Atalay recalled that another important clause in this agreement referred to the issue of the security of the Turkish Cypriot community. Atalay said that these same criteria was reiterated in the Greek Cypriot proposals submitted at the Vienna talks in April 1977 and in the 10-point agreement reached between Denktas and Kiprianou.

DENKTAS REPRIMANDED FOR EVKAF CASE ON VAROSHA

NC231055 Nicosia YENI DUZEN in Turkish 21 Jun 79 PP 1, 4 NC

[Yeni Duzen editorial: "Sincerity"]

[Excerpts] The intercommunal talks have been resumed under the auspices of the United Nations with the aim of finding a peaceful solution to the Cyprus problem and bringing peace to our island.

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Having learned lessons from the bitter experience of the past and having lived in tension for years, the Cypriots welcomed the talks with excitement. The peaceloving forces and working masses in both communities want to see every effort exerted to make the talks successful. They want both sides to display sincerity and to abstain from any moves and tricks which may spoil the atmosphere of peace.

According to press reports Kiprianou is trying to spread an idea of "Maras [Varosha] before everything" among the Greek Cypriot community. Kiprianou's attitude makes the Turkish Cypriot community suspicious. They ask themselves: "Do the Greek Cyproits want to solely discuss Maras?" Such suspicion may overshadow the intercommunal talks and intercommunal trust. The Maras issue will naturally be discussed. If the sides come to an agreement priority will be given to negotiations on this issue. However, both Kiprianou and others must not forget that the Cypriots want the solution of the Cyprus problem as a whole and not the settlement of the Maras issue alone. The Cypriots want a just and durable peace on this island.

President Denktas is also following an incoherent policy. He says: "We are moving toward peace. We are looking for peace, "on the one hand, and organizes movements whereby he can say "the Turkish Cypriot community opposes concessions" on the other. Denktas as well as Turkish Prime Minister Bulent Ecevit stated that "mutual give and take is necessary for the peaceful solution of the Cyprus problem." Despite this Denktas is inciting a number of spurious organizations to say "no concessions" and "that taken by blood cannot be returned by writing." Later Denktas tries to display this as the voice of the Turkish Cypriot community.

To all these now an Evkaf [Religious Foundations Administration] case has been added. Evkaf has resorted to court, claiming that "all property in Maras belongs to the foundation" and that "those properties are not negotiable." The court passed a ruling in Evkaf's favor. This "Evkaf case," which smells entirely of Denktas, must be seen as evidence of the intention to scuttle the intercommunal talks. At the very least, it does not conform with sincerity of good will. Especially dangerous is the fact that the the courts are being made tools of Denktas' policies.

On both sides it is possible to observe many tricks and incidents which are at odds with sincerity and good will. An end must be brought to acts which damage hopes for peace and which spoil the atmosphere of peace. The responsibility to make peace requires sincerity. Such fraudulent and well-known tricks do not deceive even the Turkish Cypriot community.

U.S. URGED TO MOVE IN RESCUING BICOMMUNAL TALKS

NC240852 Nicosia O AGON in Greek 24 Jun 79 P 1 NC

[From "My Opinion" Column by the Observer: "Clinically Dead--The Talks, Waldheim and the United States"]

[Excerpts] The intercommunal talks are clinically dead. Their interruptions do not merely express a deadlock but constitutes a complete failure. The way the talks stated and things developed at the first four sessions, it was impossible for the dialog to survive.

Waldheim preferred to discontinue the comedy being played over a tragic issue. He probably preferred to keep the dialog in a state of apparent death until he sees what me can do to activate.it.

There can be no doubt that the Turkish side is the one responsible for the death of the dialog. It is the Turks who have reneged, torpedoed the dialog, filibustered and do not want the talks to succeed merely because they do not want a solution; or, if they want a solution, they seek one cut and tailored to their measurements.

The demand that we accept the bizonal federation was a mere pretext for the breaking off or the failure of the talks. The reasons are known only to Denktas.

In addition to Waldheim, there are others who also have responsibility to force the Turkish side to respect the agreements it has signed. For instance, it is the Americans who have invested a great deal in the talks. Carter and the Pentagon must be in a greater hurry than we are if they are to succeed in sending the military and economic aid they want to their collapsing ally. We hope that all of them will move in saving the talks if, of course, they really desire a Cyprus solution through the talks. However, it is possible that they do not want a solution through this procedure or that they are not sure that the solution to be found through the intercommunal talks would be one that would serve their interests. If this is the case, then their indifference and apathy toward the collapse of the intercommunal dialog would be sufficiently justified....

CRISIS IN TALKS SEEN AS ATTEMPT TO BLACKMAIL U.S.

NC250740 Nicosia I DHIMOKRATIKI in Greek 25 Jun 79 pp 1, 10 NC

[Special dispatch to I DHIMOKRATIKI]

[Text] New York, 24 June--The crisis in the intercommunal talks, which has developed as a result of the Turkish stand being systematically planned by Ankara, is regarded as an attempt at blackmail. According to clear reports and indications, the setback that appears in the Cyprus issue is part of a wider hardening of the Turkish stance in the entire spectrum of Oreek-Turkish relations, having always the same target.

According to reports from the UN Secretariat:

UN Secretary General Waldheim, who has already been briefed on the situation, is in contact with the main member states of the Security Council asking them to exercise their influence on the Turkish side to show a spirit of conciliation. As far as State Department circles here are concerned, it is a clear fact that:

Ankara is trying to exert pressure on the U.S. side by creating difficulties, in order to extort higher economic and political benefits at a time when there is bargaining over U.S. facilities in Turkey. The same circles as well as Dr Waldheim are convinced now that:

Behind all these maneuvers by Denktas are Turkey's rightwing parties and the military, who are not prepared for substantive concessions except for some readjustments. During his unofficial contacts with the Turkish Cypriot leadership, UN Under Secretary General Perez de Cuellar ascertained that:

Denktas always aims at federation with the structure of confederation so that there may be complete territorial and substantive administrative separation.

This week will be quite significant since initiatives will be made so that the talks may resume on a basis that would be covered by the 10 points of the Kiprianou-Denktas agreement.

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O AGON: U.S. POLICY 'CLEARLY PRO-TURKISH, ANTI-HELLENIC'

NC260902 Nicosia O AGON in Greek 26 Jun 79 p 1 NC

[From "My Opinion" Column by the Observer: "Turkey Comes First -- The American Doctrine"]

[Text] "Gentlemen, I must point out to you that your insistence on pressuring Congressmen to keep the arms embargo on Turkey is dangerous. Moreover, I warn you that if the embargo is not lifted, war will break out between Greece and Turkey, in which case your responsibility for this would be enormous. I also want you to understand that the United States needs Turkey first, then Greece, and then Cyprus..."

This is more or less what President Carter told Greek-American representatives when he invited them [to the White House] a few months ago to persuade them to end their campaign to continue the embargo. This authentic statement by the U.S. President, which has probably been made public for the first time, has been conveyed to us by a leading Greek-American who was present at that meeting.

What Carter said is particularly important, but his statement that "the United States needs Turkey first, then Greece, and then Cyprus," is more important and at the same time harsh. Carter's statement reflects and conveys the entire spectrum of U.S. policy toward these three countries as well as the position that the United States adopts toward the various problems that bring these three countries in confrontation with each other.

Yesterday it was reported that the Americans are apparently determined to either unreservedly adopt the Turkish demands on the Aegean for joint operational control over the region or divide operational control of the region between both countries. Such an attitude must undoubtedly not be a surprise. It is precisely the logical consequence, the natural development and the expression of the U.S. doctrine: "For us Turkey comes first, then Greece, and then Cyprus..."

We must wake up our mind, and by leaving aside utopias, both we in Cyprus and those in Greece must become fully aware of the fact that in both the problem of Cyprus and the problem of the Aegean, as well as in any other Greek-Turkish dispute, U.S. policy will always be clearly pro-Turkish and clearly anti-Hellenic.

So long as the U.S. Government continues to consider Turkey more valuable than Greece and Cyprus, it is natural that it will identify itself with Turkey's positions on all issues and fight our positions in every way. Therefore, meither we nor Greece should place any "hopes" on the United States, and naturally we cannot convert U.S. emmity into friendship. Even if all Greece and Cyprus were converted into U.S. bases, Turkey would continue to weigh heavier on the scales of U.S. strategic interests and goals.

Of course it would be naive for one to believe that Cyprus or Greece have the means to react to this unacceptable and unfair U.S. attitude toward us. Neither Greece's withdrawal from the U.S. camp nor Cyprus' participation in NATO or the expulsion of U.S. bases from Greek territory would be a solution. On the contrary, such things might prove to be disastrous. Greece withdrew from NATO's military wing, but now wants to go back. However, before it can go back it must agree to nationally unacceptable conditions put forth by Turkey.

Cyprus will not be accorded any special treatment even if it rushes to embrace NATO because, as Mr Tasos Papadhopoulos once said, in the NATO complex Turkey holds the rank of colonel, while Cyprus, even if it joined NATO, would be only a mere private.

On the other hand, the Eastern bloc does not show any desire to embrace us even if we rush to embrace them. It is strange, but in the case of Turkey, Greece and Cyprus, the Eastern bloc agrees with the Americans: Turkey first, then Greece and Cyprus last.

However, even if we do not have the means to react to the U.S. enmity or the power to change U.S. policy, inside the United States itself we have the most powerful friend of Cyprus: the Congress. And if we make proper use of this mighty power, we shall be able to render useless many plans of the U.S.-Turkish circuit.

AKEL CONDEMNS U.S. PLANNED INTERVENTION IN NICARAGUA

NC260840 Nicosia KHARAVYI in Greek 26 Jun 79 p 1 NC

[Cable by AKEL Secretary General Papaioannou to UN Secretary General Waldheim--no date given]

[Text] The AKEL Central Committee condenns with indignation the U.S. intention to intervene militarily in Nicaragua. Such an intervention in Nicaragua's internal affairs, contrary to international law and against the will of the people of Nicaragua, will oreate a new Vietnam. The Cypriot people, who are suffering themselves from foreign aggression, demand that the U.S. aggression against Nicaragua be prevented.

HEO INVITES DEV-IS TO JOINT MEETING AT LEDRA PALACE

NC251207 Nicosia Domestic Service in Greek 1130 GMT 25 Jun 79 NC

[Text] HEO has sent a letter to the Turkish Cypriot trade unions organization DEV-IS [Pederation of Revolutionary Workers' Unions] suggesting that delegations from the two organizations meet on 10 July at the Ledra Palace Hotel to discuss questions of mutual interest. The aim of the discussions will be to contribute to rapprochement and the creation of a climate of trust between the working people of the two communities. The HEO letter also says that the two organizations could thus also contribute to the success of the intercommunal talks in finding a Cyprus solution on the basis of the Pebruary 1977 four guidelines, UN resolutions on Cyprus and the 10-point Kiprianou-Denktas agreement.

U.S. TO BE HELD RESPONSIBLE FOR POSSIBLE SKYLAB DAMAGE

NC240746 Nicosia I MAKHI in Greek 24 Jun 79 p 3 NC

[From the "Militant" Column: "The Skylab"]

[Text] The renowned Skylab has become a "bogy" for the world. According to NASA calculations, it will return to earth during the period 7-17 July, most probably on 12 July. Nobody knows exactly when or where the Skylab debris will fall on the earth or what the repercussions will be. He matter how U.S. scientists try to conceal or limit the possibilities of damage or even deaths, they cannot succeed because their announcements are very clear and leave no doubt that the dangers from Skylab's fall cannot be reckoned by anyone.

The U.S. scientist must keep the whole world informed of every move by Skylab until its reentry into the earth's atmosphere and the fall of its debris, so that the world may be able to take the appropriate protective measures.

POREIGN MINISTER RETURNS FROM VISIT TO EUROPE, U.S.

HC221853 Nicosia Domestic Service in Greek 1730 GMT 22 Jun 79 NC

[Text] Foreign Minister Rolandhis returned to Cyprus today at 1900 from his trip to the United States, France, Britain and West Germany. On his arrival, the foreign minister was met by U.S. Ambassador Stone, by Foreign Ministry Director General Pelayias and by other officials. Shortly after his arrival the foreign minister made the following statement:

[Begin recording] I have returned from a visit to four countries, where I met with my counterparts. In Paris, I met with Foreign Minister Francois-Poncet, in London, I met with Lord Carrington; in Bonn, with Hr Genscher; and in Washington, with Mr Vance. In London, I also met with Lord Privy Seal Sir Ian Gilmour, and in Washington, with Deputy Secretary of State Christopher.

Our talks focused on the Cyprus problem, although we discussed other questions as well, such as Cyprus' relations with the EEC and various bilateral questions.

All my meetings were very important and constructive in view of the current serious phase of the Cyprus problem. The various foreign ministers whom I met expressed their keen desire for a fair Cyprus solution through the intercommunal dialog. [end recording]

KIPRIANOU MAKES STATEMENT ON DEPARTING FOR HOMANIA

MC230851 Micosia Domestic Service in Greek 0800 GMT 23 Jun 79 NC

[Text] The president of the republic, Mr Kiprianou, left on a 3-day official visit to Romania this morning at the invitation of Romanian President Ceausescu.

In a statement at Larnaca Airport, President Kiprianou expressed the conviction that his visit will be useful from many points of view. As is known, Mr Kiprianou said, an invitation for a visit to Romania was extended many years ago to late ethnarsh Makarics. However, because of the 1974 events, he could not pay the visit. This visit, he went on, was planned some time ago and I believe it is taking place at the appropriate time because I an aware of the interest of the Romanian Government and particularly of the Romanian president in the Cyprus issue, which will certainly be the main topic of our talks. We will also discuss matters concerning relations between our countries, with the aim of strengthening further our already very good, friendly relations. We will also discuss matters concerning the development of cooperation between the two countries in various fields.

However, the president of the republic added, I would like to stress a in that I attach absolute importance to my discussion with President Ceausescu on the Cyprus issue and other international problems which, directly or indirectly, have repercussions on the Cyprus issue. Taking into consideration the personality of the Romanian president, I believe that our talks will be very useful.

On the way back from my visit to Romania, President Kipriancu said, I will make a stopover in Athens for talks with the Greek prime minister, with whom I will exchange views in the light of the recent developments in the Cyprus issue. I will return to Cyprus next Tuesday afternoon.

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Asked his assessment of the course of the talks until now, the president of the republic replied: As is already known, the talks have been broken off for a period of time, I hope a very short one. One would not be telling the truth, he added, if he concealed the fact that no progress has been made. President Kiprianou said: I would like to stress, however, that our side continues to be animated by good will. I would also like to stress the fact that we will not accept any deviation from the 19 May agreement, on this we insist. Therefore, the president of the republic concluded, we are in a state of waiting and we will see what will be the next developments, which mobody can foresee at this time. The president of the republic is accompanied on his visit by Foreign Minister Rolandhis.

DENKTAS SPEAKS AT ISLANIC JOURNALISTS CONFERENCE

LD221320 Habat MAP in English 1218 GMT 22 Jun 79 LD

[Excerpt] Nicosia, June 22 (MAP) -- Abubakr al-Kadiri from Norocco was elected yesterday rapporteur of the preparatory conference of Islamic journalism, which opened Thursday in the Federated State of Cyprus.

Shaykh Muhammad Ali al-Harakan, secretary general of the Muslim World League was unanimously elected chairman of the conference, while Hamid Mutawie of Saudi Arabia and Husrev Suleyman Cagin of Turkey were elected vice-chairmen. Yunan Helmi Nasvtion of Indonesia was elected committee member and Shaykh Muhammad Saqqa Amini secretary of the presidium.

In his opening speech, Rauf Denktas, president of the Turkish Federated State of Cyprus, emphasized the Cyprus Muslim Turkish community's struggle against the Greek Orthodox church, in order to maintain its religions and national existence on the island. "A Muslim Turkish community has existed in Cyprus since 1571," sold Denktas, "and waged a great struggle against the Cypriot church which wants to annex Cyprus to Greece, since 1878," he added. The Turkish president of the Federated State of Cyprus also deplored that some Muslim countries supported resolutions describing Turkey as an "occupation force." "The struggle waged by the Muslim Turkish Cypriot community is the same as the liberation struggle waged by our Falestinian brothers," Denktas said. He also feels that it is essential for the press organizations of the Muslim world to come together, eliminate their shortcomings and to work for the establishment of a fully organized universal Muslim agensy. "The Muslim population has almost reached one billion people, A third of them live under difficult conditions and most of them are oppressed. It is the duty of the press to investigate and make these sufferings known, by exposing them to the world," concluded Denktas.

In his opening speech, Muhammad Ali al-Harakan, secretary general of the Muslim World League, reminded the participants that the idea of such a conference was conceived at the beginning of the very existence of the "Rebitat al-Alam al-Silami" (Muslim World League).

The rapid dissemination and reawakening of Islam throughout the world has provoked wide hostile campaigns from [words indistinet] Western Journalists, said Al-Harakan. The Islamic information media, particularly the press, is still suffering from languidity and disintegration "because of political, sectarian and ideological contradictions," added Al-Harakan. This is why the Muslim World League decided to organize this preparatory conference, said Al-Harakan, adding that the conference should lay down guidelines to challenge anti-Islamic propaganda, and encourage emphasis on Islamic information.

EEC DEBATE STARTS WITHOUT PASOK, EKE

AT251833 Athens Domestic Television Service in Greek 1848 GMT 25 Jun 79 AT

[Text] The plenum of the Chamber of Deputies late this afternoon started the debate on the bill ratifying the agreement on Greek accession to the European Community. The debate started with procedural matters expounded by Deputy Frime Minister Papakonstandinou. Immediately afterwards PASOK Chairman Andreas Papandreou made a statement in which he stated his party opposes accession and for this reason it will not participate in the debate. A similar statement was made by the KKE representative, Deputy Kaloudhis. After the two statements the deputies of the two parties walked out of the chamber hall.

The Chamber was then addressed on the situation created by Prime Minister Karamanlis, EDIK leader Zigdhis, former Prime Minister Kanellopoulos, Independent Deputy Mavros, Chairman of Kodiso Permanoglou, the parliamentary representative of the KKE (Interior), Kirkos, and the representative of the National Front, Theotokis.

Majority Speaker Kallias then addressed the Chamber stressing that the accession agreement is not simply an extensive trade and economic agreement, nor is it simply a treaty with certain political provisions. It is a milestone in the progress of the Greek mation and a new starting point. The greatest majority of the mation approves of the Karamanlis initiative, Kallias stressed, and future generations will honor him with gratitude.

Referring to the agrarian issue Kallias stressed that things in this sector are excellent. Producers will enjoy increased prices and will have guaranteed sales of their produce. The benefit to Greek farmers is proved by the severe remotion from the head of the Prench Communist Party who wanted to protect French farmers from the competition of Greek farmers and the French merchant marine from competition from the strong Greek merchant marine.

Kallias also spoke of the various EEC funds, such as the agrarian funds, the social fund and the regional development fund which will help the reorganization of oultivation, prices of produce and the professional orientation and training of youth.

Every alleged danger to our national identity, Kallias stresped, is totally unfounded. Our national tradition will be preserved in the same way that our national conscience was preserved through many centuries. Concluding, he said a new great period for Greece is now starting with the great opportunity and challenge, provided we all work diligently.

PASOK ACCUSES KKE OF TRYING TO USURP ITS POSITION

AT251142 Athens EXORMISIS in Greek 24 Jun 79 p 12 AT

[Commentary: "What Do the 'EAM-Originated' [EAM: National Liberation Front] Forces Servet"]

[Text] The KKE initiative for the "Hovement for a United Left" which climaxed with the "pan-Athenaic conference" raises a series of questions. First of all it leaves the term "left" unexplained and it appears to confine it between the KKE, the KKE (Interior) and the KDA [United Democratic Left] and to all forces operating between these poles.

In this way the traditional left continues to remain concealed behind political developments, out off from the radicalism of the people masses and unable to understand the true cosmogony which is taking place daily within the radical movement.

Up to now the left, as a political entity, was identified with the NOE or with any front originated by the KME. The existence of PASOK, however, gives a new social, political and ideological substructure to the forces of change. Any denial or distortion of PASOK's character and dynamics is a denial and alchemization of reality. PASOK's existence cannot be ulurped:

--- gither at the social level through creation of the agrarian party, AKE;

--Or it the political level through concoction of the 'EAM-originated' forces, which are beyond the limits of any social trend, simply by reproducing emotional conditions and historic memories.

Such activities by the KME only demonstrate its intent to:

--Reconnect itself with the radical movement through party organizations subservient to it; to monopolize and exert its sovereignty over the area of the left by promoting allied forces controlled by it organizationally;

--Such activities are aimed at cutting PASOK off from the militant leftist tradition, at diminishing PASOK's election strength, at reorganizing the area of the left and at cutting down PASOK's autonomous policy.

The vast majority of the radically thinking Greek people, however, will not be deceived by such an erroneous policy.

U.S. HOUSE VOTE AGAINST AID TO TURKEY LAUDED

AT231214 Athens I VRADHINI in Greek 23 Jun 79 p 2 AT

[From the "Evening" Column: "The U.S. House of Representatives"]

[Text] The U.S. House of Representatives, through its vote the day before yesterday against the Carter proposal for additional gratis military aid to Turkey worth \$50 million, proved that it is the bastion of liberalism and a brake on White House plans when its leader follows paths that are contrary to the true interests of the American republic.

This is not the first time that the U.S. House of Representatives has riven to the occasion and through its decisions saved the U.S. nation's honor and demonstrated that, when led by politicians with a sense of mission and responsibility, the U.S. state is the great protector of justice and the defender of free institutions.

Of course, it would be preposterous, anti-liberal, anti-democratic and contrary to justice for the U.S. House of Representatives, in which speeches were made for freedom and laws were passed for sacrifices for international peace as in 1917, 1942, 1947 and 1951, to now decide to accept the strengthening of those people who have invaded small, unprotected and peaceful Cyprus. Those people not only continue to behave like conquerors but to demonstrate even greater rapacity against the suffering megalonisos and its heroic inhabitants, whose property they have looted and houses they have stolen.

RPP DEFUTIRS OFFERED BRIBES TO DEFECT

TA241507 Ankara ANATOLIA in English 1440 ONT 24 Jun 79 TA

[Text] Ankara, 24 June (AA) -- Orhan Birgit, deputy secretary general of the ruling Republican People's Party [RPP], said RPP deputies were being offered gold "as much as their body weight" to make then defect from RPP ranks.

Meanwhile, RPP deputy from Ankara, Bekir Adibelli, and RPP deputy from Kirsehir, Kilis Sorguou, told journalists at the party headquarters Sunday the opposition told them they would either receive opposition pledges that they would be made cabinet ministers in the next cabinet or that their re-election to the parliament would be guaranteed by placing their mames at the beginning of an opposition party candidate list in the 1981 general elections in care they agree to defect from RPP.

Birgit also said that the opposition was collecting money from certain jewelers in Ankara to bring about such defections and secret meetings were being held to discuss the issue.

Bribery Allegations Denied

TA251559 Ankara ANATOLIA in English 1445 GHT 25 Jun 79 TA

[Text] Ankara, June 25. (AA)--Justice Party [JP] Deputy Jhairman Dr Sadettin Hilgic today denied claims by two RFP deputies that they had been offered "gold equal to their weight" to leave their party, saying JP has not made any "promises or offers" to anyone to attract them to the party.

Bilgic said he does not even know the two RPP deputies, Bekir Adibelli (Arkara) and Kilis Sorguou (Kirsehir), who must have put themselves "up for auction" to make such statements.

JP Secretary General Nuri Bayar also denied the claims of the two RPP deputies about proposals for them to "transfer" from RPP to JP. He believed these claims must be made for the purpose of "blackmailing" other RPP deputies who may have "realized the seriousness of conditions" into remaining with RPP.

STATE MINISTER EILIC DENIES RESIGNATION RUMORS

TA251555 Arkars ANATOLIA in English 1430 GMT 25 Jul 79 TA

[Text] Ankara, June 25, (AA)--Minister of State Mustafa Kilie denied rumors about his alleged intention to resign and to return to the Justice Party. Kilie commented it would be "inhuman" to leave his colleagues in the government at present. Such behavior could not be expected of himself, he said.

BULGARIAN MINISTER ARRIVES ON OPPICIAL VISIT

TA251143 Ankara Domestic Service in Turkish 1000 GHT 25 Jun 79 TA

[Text] Bulgarian minister of foreign affairs, Petur Mladenov, arrived in Ankara this morning on a 2-day official visit as the guest of Poreign Minister Gunduz Okoun. The Bulgarian minister was received by Okoun at Ankara's Baenboga Airport.

In a statement at Emenboga Airport, Okeun said that the preparatory work for Bulgarian State Council Chairman Todor Zhivkov's visit to Turkey next month will be reviewed and bilateral and international issues will be discussed during the talks with Mindenov.

In his speech, Mladenov pointed out that the relations between Turkey and Bulgaria are developing in every field and said that his visit will be useful from the viewpoint of further developing these relations. The official talks between Mladenov and Okcun will begin at the Foreign Ministry in the afternoon.

Mladenov will also be received by President Pahri Koruturk and Prime Minister Bulent Boevit.

Opening of Talks

TA251824 Ankara Domestic Service in Turkish 1600 GMT 25 Jun 79 TA

[Excerpts] The talks between the Bulgarian delegation headed by Foreign Minister Mladenov and the Turkish delegation headed by Foreign Minister Gkoun have started in Ankara. In an opening speech, Okoun said that certain problems would be discussed with a view to further developing the relations between Turkey and Bulgaria. Okcun stated that it would be to the benefit of both countries if close cooperation with mutual trust was established in the Balkans. He added that such cooperation would contribute to political detente in the region.

Prime Minister Bulent Ecevit received Mladenov. In a speech, Ecevit expressed the hope that the dialog started during his talks with Zhivkov in Varna last year would yield even more fruitful results during the talks held by the foreign ministers. Ecevit said:

[Begin recording] The development achieved in the friendly relations and cooperation between our countries during the past 1 and 1/2 years is very pleasing. We will be very happy with the honorable Zhivkov's visit to Turkey next month. We are looking forward to his visit. I am confident that our talks with the honorable Zhivkov will constitute a new and advanced phase in our quickly developing relations. [end recording]

INDUSTRIAL TALKS WITH LIBYA BEGIN IN ANKARA

TA251150 Arkara Domestic Service in Turkish 1000 GMT 25 Jun 79 TA

[Text] Technical talks between the Turkish and Libyan industrial delegations have begun in Ankara.

The visit by the Libyan industrial delegation, which arrived in Turkey on Saturday, was decided at the talks aiming to develop the economic, scientific and technical cooperation between the two countries during Prime Minister Bulent Ecevit's visit to Libya from 26 to 29 January.

The Libyan industrial delegation will receive detailed technical information about the projects of the Aksaray motor factory, the transformer factory, the small water turbine and pump manufacturing factory to be built in Elazig and the Black Sea integrated paper mills. Libya had announced earlier that it would participate in the financing of these projects.

During its 1-week visit, the seven-man Libyan delegation will also hold talks with relevant organizations in order to determine Libya's form of participation in these projects.

It is also expected that the issue of cooperation in the projects of the Konya tractor motors and tractor factory, the Cankiri heavy industry equipment factory and the Polatli building and digging machines factory, in which Libya is interested and is still studying in accordance with previously taken joint decisions, will be clarified during the talks.

The issue of Turkey's building ceramics, tiles, sanitary building materials and garment factories in Libya will also be discussed during the talks.

INTERIOR MINISTRY ON MEASURES AGAINST SKYLAB

NC230942 Istanbul HURRIYET in Turkish 22 Jun 79 pp 1, 11 NC

[Text] Ankara--Police, night watchmen and gendarmes have been given technical information about measures that can be taken against dangers that may be created by the reentry of Skylab into the atmosphere. The Skylab space station, which has been in orbit for 6 years, studdenly started descending toward the earth, but was put back into orbit yesterday.

A note on the subject was sent from the Foreign Ministry to the Interior Ministry, which in turn distributed a memorandum to governors, provincial security directorates, gendarme commands and police stations. However, the memorandum contained no instructions concerning the measures to be taken. Accordingly, police station officials will decide for themselves the measures to be taken.

According to the note sent by the Foreign Ministry to the Interior Ministry, the Skylab reentry will take place some time between 26 June and 9 July. It has been officially determined that Skylab will break up into pieces in the atmosphere and these pieces--of which the smallest is expected to weigh around 5 kg and the largest several hundred kilograms--may fall on populated areas. The note states that the pieces will probably fall in an area 100 miles wide by 4,000 miles long.

REACTOR COMMISSIONED; CETIN DISCUSSES ENERGY

TA221942 Ankara Domestic Service in Turkish 1600 GMT 22 Jun 79 TA

[Excerpt] A training and research reactor was commissioned with a ceremony today at the Istanbul Technical University Nuclear Energy Institute. Hikmet Cetin, state minister, deputy prime minister and chairman of the Atomic Energy Commission, said at the ceremony that Turkey must use nuclear energy if it wants to eliminate its energy shortage. Pointing out that Turkey's increasingly growing electrical energy consumption would reach 233 billion kilowatt-hours in the year 2,000, Cetin stressed that this could not be met without nuclear energy.

Cetin also said that national resources must be used in order to meet the electricity requirements of the country. He noted: Even if all of Turkey's thermal and hydroelectrical energy stations are used, there will be a shortage of electrical energy by about the year 2,000. We must use nuclear energy, which is a more reliable and convenient source than oil, and we must learn nuclear energy technology if we want to prevent this shortage.

Cetin added that Turkey was late in getting into nuclear energy technology.

ANKARA CONFERENCE PROMOTES RELATIONS WITH ARABS

TA221616 Ankara ANATOLIA in English 1515 GMT 22 Jun 79 TA

[Text] Ankara, 22 June (AA) -- The international conference on "Turkish-Arab relations" ended in Ankara Friday with a final communique. The communique stated, in summary:

The conference has shown once again the existence of deep and strong links between Turkey and Arab states, which have inherited the same culture and civilization, shared history for centuries, and have had complementary economic and security interests. The conference agreed that current relations should be strengthened and widened.

Papers submitted to the conference, clarifying various aspects of Turkish-Arab relations, have demonstrated that the history of these relations is based on a wealth of resources and requires a large number of studies on the subject. Easier access to resources and development of procedures for their use will lead to more fruitful research. Preservation and further cultivation of Islamic culture and civilization will not only strengthen the ties unitting the Turkish and Arab nations, but will also make it possible to raise future generations of character and to supply Muslim communities with stronger and more harmonicus social structures.

Papers read at the conference have shown economic cooperation between Turkey and Arab countries can be advanced much farther than its present level, and new areas of joint endeavor can be found. Closer economic cooperation between them will increase economic welfare in the countries of the region as well as speeding up the rapprochement between them. Economic cooperation can create a suitable atmosphere for Turkey to meet her energy, particularly petroleum, needs and for the Arab countries to meet their needs for industrial and food products.

A common belief has been expressed that Arabs and Turks should support one another always and everywhere in the just causes of each. The most conspicuous instances for such support will be the Palestinian issue and the Cyprus question.

LABOR PARTY READY TO MERCE WITH SOCIALIST LABOR PARTY

TA251557 Ankara ANATOLIA in English 1510 GMT 25 Jun 79 TA

[Text] Istanbul, June 25, (AA)--Secretary General of the Labor Party, TIP, Nihat Sargin said Sunday his party was ready for a congress to discuss a merger with the Socialist Labor Party TSIP. He believed the merger could be brought about legally with both parties convening their respective congresses one after the other.

1 KILLED, 38 INJURED IN ISTANBUL EXPLOSION

TA231743 Ankara Domestic Service in Turkish 1600 GMT 23 Jun 79 TA

[Text] According to first reports, 1 person was killed and 38 other injured by an explosion in a coffee house frequented by rightist students in Istanbul's Hurriyet Square. TRT correspondents report that there was a very strong explosion in a coffee house on Ordu Street in Hurriyet Square at around 1720. Ahmet Karaman was killed by the explosion and 38 persons were injured, 10 of them seriously. Of the injured, 7 are in the Cerrahpasa Hospital, 9 in the Haseki Hospital, 11 in the Samatya Social Security Hospital, 10 in the Istanbul Mediall School Hospital and 1 in the Taksim Hospital. Officials have reported that an investigation into the explosion is underway.

